

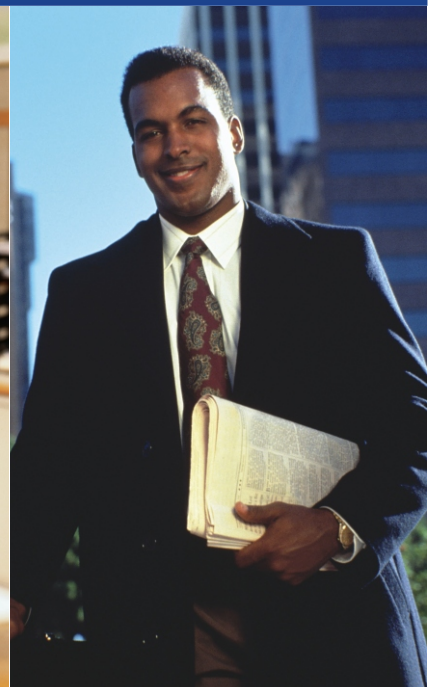


THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES

BUREAU OF LABOR MARKET INFORMATION/OFFICE OF WORKFORCE DEVELOPMENT

State of Ohio Workforce

SECOND QUARTER 2006



BOB TAFT
GOVERNOR

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Unemployment Rates and Related Data

Employment Data

Ohio Nonagricultural Wage and Salary Employment (Seasonally Adjusted)

Ohio's nonagricultural wage and salary employment rose 23,600 over the quarter, from 5,439,000 in the first quarter of 2006 to 5,462,600 in the second quarter of 2006.

Employment in service-providing industries, at 4,405,200, was 20,300 higher. The largest increase was in leisure and hospitality (+7,000). Notable gains also occurred in educational and health services (+5,700) and professional and business services (+4,600). Other services (+1,400), government (+900), trade, transportation, and utilities (+600), and financial activities (+100) advanced slightly. Information was little changed. Goods-producing industries rose 3,300 to 1,057,400. An increase of 4,900 in construction was partially offset by a drop of 1,600 in manufacturing. Natural resources and mining was virtually unchanged.

Nonagricultural Wage and Salary Employment Estimates for Ohio ^a Seasonally Adjusted	Employment (in thousands)			Change (in thousands)		Percent Change	
	2nd Qtr. 2006	1st Qtr. 2006	2nd Qtr. 2005	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Employer Survey Data^b							
Total	5,462.6	5,439.0	5,428.7	23.6	33.9	0.4%	0.6%
Goods-Producing Industries	1,057.4	1,054.1	1,058.7	3.3	-1.3	0.3%	-0.1%
Natural Resources and Mining	10.7	10.7	11.3	0.0	-0.6	0.0%	-5.3%
Construction	237.5	232.6	234.3	4.9	3.2	2.1%	1.4%
Manufacturing	809.2	810.8	813.1	-1.6	-3.9	-0.2%	-0.5%
Service-Providing Industries	4,405.2	4,384.9	4,370.0	20.3	35.2	0.5%	0.8%
Trade, Transportation, and Utilities	1,044.8	1,044.2	1,045.0	0.6	-0.2	0.1%	0.0%
Information	89.5	89.5	90.3	0.0	-0.8	0.0%	-0.9%
Financial Activities	312.3	312.2	308.7	0.1	3.6	0.0%	1.2%
Professional and Business Services	651.3	646.7	640.5	4.6	10.8	0.7%	1.7%
Educational and Health Services	772.4	766.7	759.9	5.7	12.5	0.7%	1.6%
Leisure and Hospitality	511.7	504.7	501.4	7.0	10.3	1.4%	2.1%
Other Services	225.0	223.6	225.1	1.4	-0.1	0.6%	0.0%
Government	798.2	797.3	799.1	0.9	-0.9	0.1%	-0.1%

^aSubtotals may not add to totals due to rounding. All data exclude military personnel.

^bFrom the Current Employment Statistics Survey, a monthly survey of approximately 11,800 employers conducted by ODJFS in cooperation with the U.S. Bureau of Labor Statistics. Estimates represent nonagricultural wage and salary jobs by place of work.

Over the year, 33,900 nonfarm wage and salary jobs were added. Nearly all of the growth occurred in the service-providing sector (+35,200). Educational and health services advanced 12,500. Professional and business services rose 10,800, while leisure and hospitality increased 10,300. Financial activities grew by 3,600. Small declines were noted in government (-900), information (-800), trade, transportation, and utilities (-200), and other services (-100). Goods-producing industries were down 1,300. Manufacturing dropped 3,900, while natural resources and mining slipped 600. Employment in construction rose 3,200 over the year.

Jobs Gained or Lost

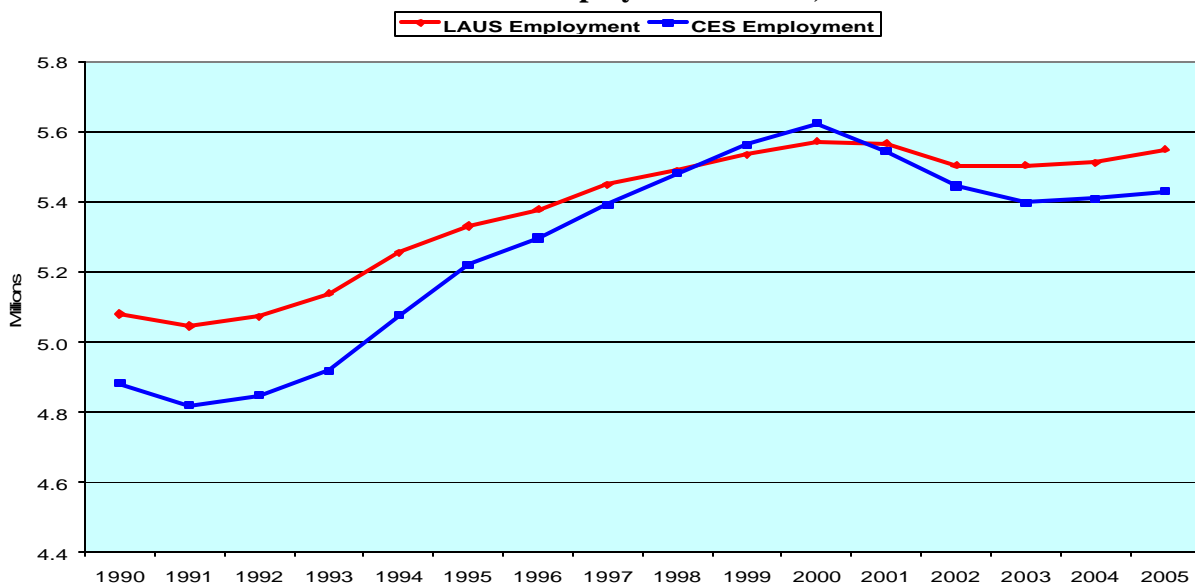
Current Employment Survey (CES)

The most reliable and most easily understood statistic on jobs is the nonagricultural wage and salary employment which comes from the Current Employment Survey (see the Technical Notes section for more detail). This business establishment survey tracks most closely with business cycle changes and is the statistical source most heavily relied on by labor economists, including those at the Bureau of Labor Statistics. It provides information on jobs lost or gained from month-to-month and over the year. The trend in nonagricultural employment is CES data. Of course, there is considerable dynamic activity behind these figures in respect to job changes, layoffs and hiring activity, which in themselves are not represented in the net job statistic.

Local Area Unemployment Statistics (LAUS) and Current Population Survey (CPS)

The employment numbers published under the Employment Situation Indicators chart for Ohio (LAUS data) earlier in this packet are heavily dependent on the Current Population Survey (often referred to as the “Household” survey). These figures are useful for understanding the unemployment rate and can be useful for the labor economist’s analysis of what is happening in the labor market. However, as a general measure of job growth or decline and corresponding public announcements, it has proven problematic. The CPS for Ohio contains a small sample of households, tends to be highly volatile and is benchmarked (i.e., controlled to a known universe) only once every ten years with the decennial census. It has not proven to be a good measure of business cycles. For example, the LAUS employment numbers showed only a slight decline at the onset of the 2001 recession and improvement in the employment situation in 2003, a year before the business establishment survey measured a slight increase (see chart below). The LAUS data have no measure of job loss or gain by industry.

Ohio LAUS and CES Employment Trends, 1990-2005



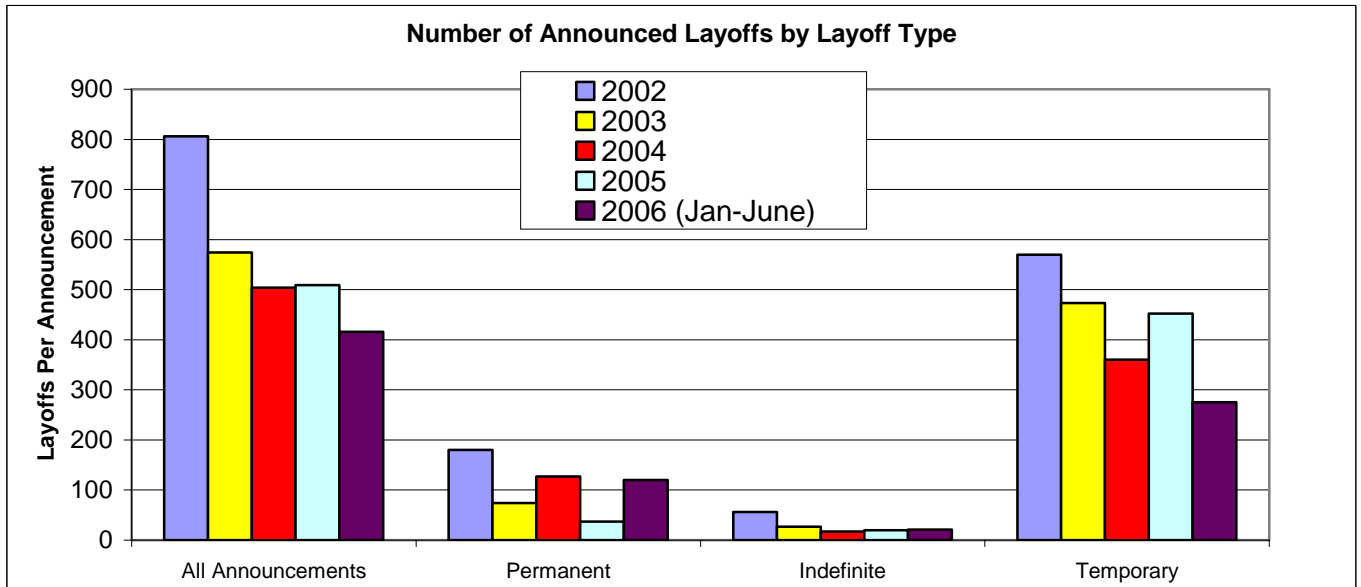
Mass Layoff Announcements

Mass layoff announcements are reported by the business entity. These statistics have proven useful to explain major shifts in the employment situation that may occur at the local level from one month to another. However, they must be used with caution, particularly when considering them at a summary level or as a state-wide indicator. These statistics have the following caveats:

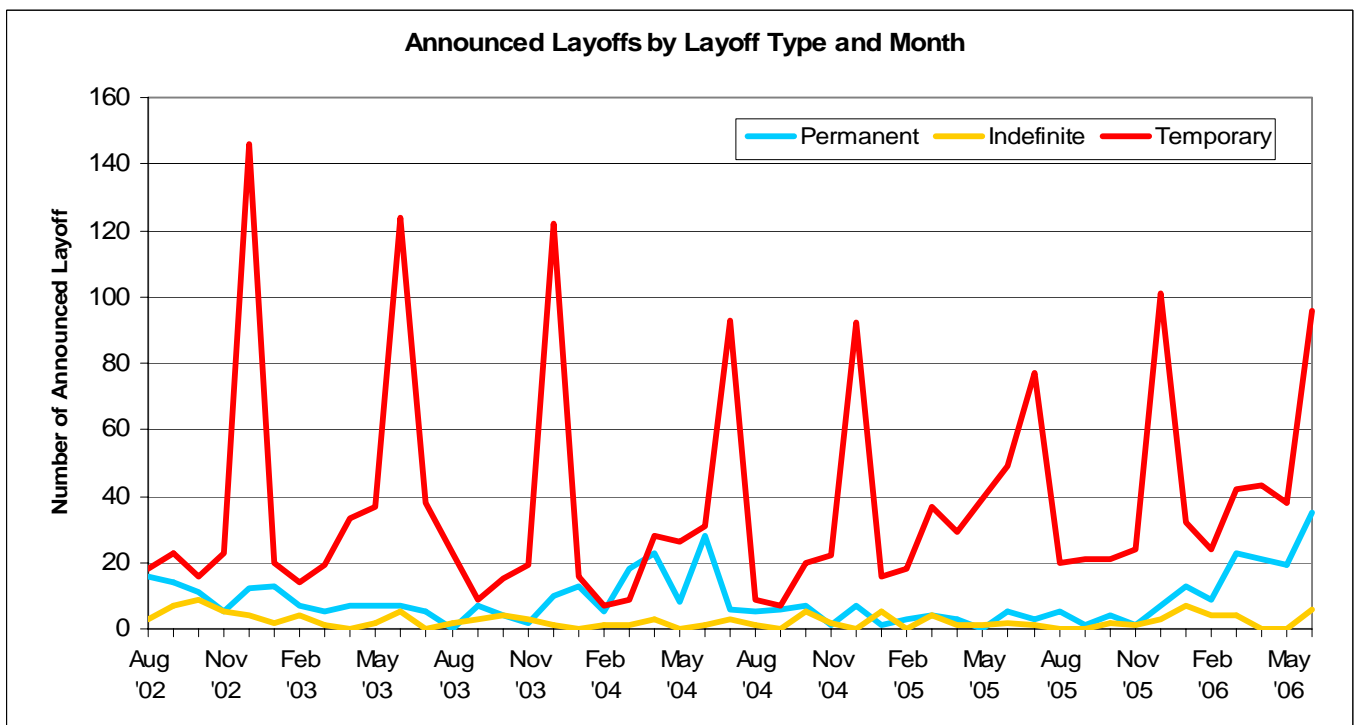
- ODJFS requests employers to provide the greatest number of workers potentially affected and actual numbers are normally less.
- Any employer may announce mass layoffs multiple times and / or for multiple locations over the year.
- There is no formal process or monitoring to assure consistent reporting.
- These numbers are reported “intent” and are never independently verified.
- They may be reported but then circumstances change that decrease the size of the layoff or eliminate the need for a layoff.
- Even if a layoff materializes, it does not necessarily mean people are unemployed as a result. They may retire, work part time, take severance pay or find another job.
- A number of the reported layoffs are part of a normal business cycle, where the business normally restricts operations for product change-over, inventory processes or because of seasonal demand cycles.
- Some layoffs are very short lived, while others could take a year or more to complete. There is no precise measure of timing.

Mass Layoff Announcements, 2002 to June 2006

Year	Layoff Announcements	Announced Laid Off	Permanent Layoffs		Indefinite Layoffs		Temporary Layoffs	
			Events	Employees	Events	Employees	Events	Employees
2002	806	147,385	180	14,563	56	6,969	570	125,853
2003	574	128,497	74	9,187	27	3,201	473	116,109
2004	504	100,098	127	12,240	17	1,781	360	86,077
2005	509	131,712	37	4,894	20	2,072	452	124,746
2006 (Jan-June)	416	76,809	120	6,427	21	2,055	275	68,327



The graph below is an example of the highly seasonal nature of these mass layoff announcements.



Related Information

Technical Notes

Ohio Department of Job and Family Services
Office of Workforce Development
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Bureau of Labor Market Information
Business Principles for Workforce Development

Partner with the workforce and economic development community.

Develop and deploy new information solution tools and systems for the workforce and economic development community.

Provide products and services that are customer and demand driven.

Be known as an important and reliable source for information solutions that support workforce development goals and outcomes.

This quarterly report was prepared by the Ohio Department of Job and Family Services to meet the requirements of the Ohio Revised Code 6301.10. For further information, visit our website at <http://OhioWorkforceInformer.org> or contact Keith Ewald, Chief, Bureau of Labor Market Information, at 614-752-9494.

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